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Argus *European Products*

Daily European product market prices, news and analysis

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MARKET COMMENTARY

Gasoline cargoes

Eurobob oxy gasoline barges fell against crude futures for a third consecutive session on Friday, eroding the run of gains from 27 December, that took margins to a near two month high on 3 January.

Oxy barges were marked at a $7.09/bl premium to the Ice March Brent crude futures contract at 16:30 GMT, down by $1.63/bl from the 5 January, and down by $2.31/bl from 30 December.

Gasoline cracks spreads fell on the week after firming steadily from 27 December to 3 January, peaking at $12.69/bl against front-month Ice March Brent, the widest spread since 9 November. Margins received support from stronger US export demand which pulled some of the supply that had built up in the second half of December in ARA, westward across the Atlantic. US refinery outages as a result of winter storms and sub-zero temperatures weighed on US gasoline stocks which fell marginally by 0.3pc to 222.7mn bl during the week to 30 December, driving up imports as a result.

Margins cooled through the first week of the new year however. Market participants reported that blending activity in northwest Europe remained weak, while local gasoline demand was lacklustre, with few barges moving inland along the Rhine, likely weighing on margins.

In Germany, new German gasoline and diesel-fuelled December car registrations fell to their lowest in over a year. Gasoline car registrations in December dropped by 11.1pc to 64,525 on the year, which is the lowest level since January 2021. A total of 863,445 gasoline-fuelled cars were registered in 2022, down by more than 100,000 from 2021.

There were no fresh trades reported in the non-oxy finished grade cargo market in northwest Europe on Tuesday.

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PRICES

Northwest Europe light products	Low	High	±
fob			
91R gasoline	700.75	701.25	-8.00
cif			
Gasoline non-oxy 10ppm	798.50	799.00	-7.50
Gasoline non-oxy 10ppm^	+59.00		
91R gasoline	723.25	723.75	-8.00
Naphtha 65 para	617.50	618.50	+4.75
barge			
98R gasoline	940.50	941.00	-8.00
95R gasoline 10ppm*	+15.00		
95R gasoline 10ppm	738.25	738.75	-13.50
Eurobob oxy	723.25	723.75	-8.00
VWA diff to Eurobob swap	+5.00		
Eurobob non-oxy	739.50	740.00	-14.00
VWA diff to Eurobob swap	+15.50		
91R gasoline	723.25	723.75	-8.00
MTBE	1,077.75	1,078.50	-11.75
MTBE factor	1.49		
ETBE	1,107.75	1,108.50	-11.75
ETBE diff to MTBE	+30.00		
Naphtha 65 para	613.50	614.50	+4.75

$/t

**differential to Eurobob oxy midpoint*

^differential to Eurobob non-oxy midpoint

Barge freights	$/t		€/t	
	Midpoint	±	Midpoint	±
Rotterdam-Amsterdam or Antwerp	6.55	-0.12	6.23	-0.05
Antwerp-Amsterdam	7.65	-0.08	7.28	nc
ARA cross-harbour	5.39	-0.05	5.13	nc
Ant-Ams diff to Rott-Ams/Ant	+1.11	+0.05	+1.05	+0.05

West Mediterranean light products ($/t)	Low	High	±
fob			
95R gasoline 10ppm	750.75	751.25	-15.75
Naphtha 65 para	585.50	586.50	+7.25
cif			
95R gasoline 10ppm	768.00	768.50	-17.25
Naphtha 65 para	602.75	603.75	+5.75

Ice settlements		
Contract	Gasoil $/t	Brent 1-minute $/bl
Jan	880.25	na
Feb	861.50	na
Mar	836.25	79.76

Ice crude futures - 16:30 London time ($/bl)	Month	Value	±
Brent 1-minute marker	Mar	79.76	+0.67

In the absence of liquidity, a $22.50/t blending value and a $30/t freight differential between ARA and the Thames were applied to generate the assessed level. Non-oxy cargoes were therefore marked at $798.75/t and at a $59/t premium to the final non-oxy barge VWA, up by $6.50/t from the previous session.

And in the Mediterranean cargo market, market participants indicated values at a $30.50/t premium to the February Eurobob swap, or at a $14.50/t premium to the February Mediterranean swap. That level equated to around a $27.50/t premium to the oxy gasoline barge VWA at 16:30 GMT — when adjusted for dates and structure — down by $7.75/t from 5 January. Outright Mediterranean cargo assessments were made at $751/t.

Gasoline barges

Eurobob oxy and non-oxy gasoline barges fell in outright terms and against the underlying February Eurobob swap on Friday.

Eurobob oxy gasoline traded at a volume-weighted average (VWA) price of $723.50/t, down by $8/t from the close on 5 January. Non-oxy barges traded at a VWA of $739.75/t, down by $14/t from the previous session.

Oxy barges traded at an average $5/t premium to the February Eurobob swap on Friday, falling from $10.75/t in the previous session and non-oxy gasoline traded at an average $15.50/t premium to the swap, down from $25/t on 5 January.

A total of 6,000t of oxy gasoline traded in the session. BP sold two 2,000t barges and Trafigura sold the remaining 2,000t. Shell was the main buyer, lifting 4,000t and Mabanaft bought the other 2,000t. Deals were done between $723-724.25/t.

And 8,000t of non-oxy gasoline changed hands on Friday. Gunvor sold 4,000t, while TotalEnergies and Shell each sold 2,000t. Mabanaft was the main buyer, lifting 4,000t, while Shell and Varo each bought 2,000t. Deals were done between $734.25-745/t.

And in the finished grade barge market, an offer was made at $750/t for middle window 14-18 January loading dates. The offer equated to a $15.25/t premium to prompt oxy gasoline barges when adjusted for dates and structure. That tested prevailing assessments at $20.50/t, and *Argus* assessments were therefore made at $15/t on Friday in reflection of the unsuccessful offer level in the window.

Naphtha

Northwest European naphtha prices rose broadly in line with underlying crude on the final trading of the week.

Naphtha cargo prices were assessed at $618/t, rising by $7.75/t day-on-day in the last trading session of the week.

Assessment rationale

Gasoline Eurobob oxy grade NWE barges (PA0005643) were assessed at $723.50/t, using a volume-weighted average of trades meeting Argus criteria. These trades are listed in *Argus European Products* and published on the Argus gasoline bulletin board.

Northwest Europe middle distillates						$/t
	Ice	Differential				
	mth	Low	High	Low	High	±
fob						
Jet	-	-	-	929.50	930.50	+20.50
Diesel French 10ppm	-	-	-	887.00	888.00	+18.75
Diesel German 10ppm	-	-	-	890.00	891.00	+18.75
Heating oil 0.1%S	-	-	-	844.25	845.25	+20.00
cif						
Jet	Jan	+65.75	+66.75	946.00	947.00	+20.50
Diesel UK ULS	Jan	+26.25	+27.25	906.50	907.50	+18.75
Diesel French 10ppm	Jan	+23.25	+24.25	903.50	904.50	+18.75
Diesel LR2 ARA 10ppm	Jan	+13.25	+14.25	893.50	894.50	+18.75
Diesel ARA 10ppm	Jan	+23.25	+24.25	903.50	904.50	+18.75
Diesel Hamburg 10ppm	Jan	+26.25	+27.25	906.50	907.50	+18.75
Heating oil 0.1%S	Jan	-19.50	-18.50	860.75	861.75	+20.00
barge						
Jet	Jan	+72.25	+72.75	952.50	953.00	+20.50
Diesel German 10ppm	Jan	+5.75	+6.25	886.00	886.50	+22.00
Heating oil 0.1%S	Jan	-19.25	-18.75	861.00	861.50	+20.00
Heating oil German 50ppm	Jan	+5.25	+6.25	885.50	886.50	+22.00

West Mediterranean middle distillates						$/t
	Ice	Differential				
	mth	Low	High	Low	High	±
fob						
Jet	-	-	-	916.25	917.25	+22.75
Diesel French 10ppm	-	-	-	882.50	883.50	+19.50
Heating oil 0.1%S	-	-	-	863.50	864.50	+19.00
cif						
Jet	Jan	+67.75	+68.75	948.00	949.00	+20.50
Jet diff to fob Med	-	+31.25	+32.25	-	-	-2.25
Diesel LR2 French 10ppm	Jan	+9.50	+10.50	889.75	890.75	+18.00
Diesel French 10ppm	Jan	+19.50	+20.50	899.75	900.75	+18.00
Diesel 10ppm diff to spot	-	+8.00	+9.00	-	-	nc
Heating oil 0.1%S	Jan	+0.50	+1.50	880.75	881.75	+17.50

Ukrainian middle distillates					$/t
	Diff basis	Differential			
		Low	High	Low	High
Diesel					
daf Poland-Ukraine	Diesel ARA high	+180.00	+210.00	1,112.50	1,142.50
cif Ukrainian ports	Diesel French W Med	+140.00	+155.00	1,040.75	1,055.75

European naphtha refining margins actually came down slightly, as a rise in front-month Ice Brent futures outpaced a rise in naphtha spot values. Notional naphtha discounts against crude have widened to $10.32/bl on Friday, by 14¢/bl a day before.

Two offers and six bids were placed in the afternoon trading window on Friday. Shell represented all the buying interest while Repsol and Trafigura were selling. The highest bid of the day was Shell's for a 24,000t cargo, priced at parity to the average of spot prices over the remaining days of January, delivering on 24-28 January to Rotterdam. The price was assessed higher to reflect the price floor of Shell's bid.

Northwest Europe gasoline margins rose to their highest since the beginning of November on 3 January as an increase in US imports pulled some of the region's excess supply westward across the Atlantic. Stronger gasoline prices tend to pull up naphtha prices, because the latter is a feedstock for the production of the former. Naphtha and gasoline values have risen in tandem over the last two weeks. On 4 January, naphtha's discount against crude touched its narrowest since May 2020.

Further, in Asia-Pacific, South Korean petrochemical producer Hyundai Chemical is considering shutting its Daesan-based heavy residual cracker in February, probably for 3-5 months, amid persistently weak margins for the unit. Most crackers in Asia-Pacific are running at reduced rates at the moment, as a wider economic slowdown depletes downstream demand. Naphtha cracking margins averaged a discount of $237/t in 2022, according to *Argus* calculations, a far cry from premiums of $96/t in 2021 and $310/t in 2020.

Jet

Outright European jet fuel prices rose today as markets remains liquid.

Ice January gasoil futures settled at $880.25/t on Friday, increasing by $20/t from the previous session.

European refinery margins for jet fuel against North Sea Dated crude have been trending downwards this week, averaging $40.41/bl, lower by 8pc from last week.

China is scheduled to be Europe’s largest supplier of jet fuel in January. There is 257,100t of jet fuel fixed to arrive in Europe from China in January, so far, according to Vortexa. That is currently 57pc of the volume of jet fuel that arrived to Europe from China last month. China’s oil product exports are expected to remain in high in the coming months as greater refinery capacity is beginning to be utilised and quotas for export are firm.

Of the 257,100t of jet fuel that has been fixed to Europe from China, 153,100t are still in transit and 104,000t has been discharged in the UK at the Shell Haven Terminal, in

Northwest Europe fuel oil and VGO			$/t
	Low	High	±
fob			
Fuel oil 1%S	394.50	398.50	-12.25
Fuel oil 3.5%S	357.50	361.50	-1.75
Fuel oil straight-run 0.5%S	534.25	537.75	+4.50
Fuel oil straight-run 0.5%S* *$/bl*	-1.75	-1.25	nc
VGO 0.5%S	573.50	577.00	+4.63
VGO 0.5%* *$/bl*	+3.50	+4.00	nc
VGO 2.0%S	557.00	560.50	+4.50
VGO 2.0%* *$/bl*	+2.00	+2.50	nc
cif			
Fuel oil 1%S	423.50	427.50	-12.25
Fuel oil 3.5%S	386.50	390.50	-1.75
VGO 0.5%S	596.00	599.25	+4.63
VGO 0.5%* *$/bl*	+6.75	+7.25	nc
VGO 2.0%S	579.25	582.75	+4.63
VGO 2.0%* *$/bl*	+5.25	+5.75	nc
barge			
Fuel oil 1%S	392.50	396.50	-12.25
Fuel oil 3.5%S RMG	342.50	346.50	-1.75
Fuel oil VWA	344.50		-1.75
3.5%S RMK	344.75		-1.75
3.5%S RMK diff to RMG	+0.25		nc
VGO 0.5%S	575.25	578.75	+4.63
VGO 0.5%* *$/bl*	+3.75	+4.25	nc
VGO 2.0%S	557.00	560.50	+4.50
VGO 2.0%* *$/bl*	+2.00	+2.50	nc

** differential to Brent crude futures ($/bl) †premium to barge VWA*

IMO 2020 compliant fuels			$/t
	Low	High	±
Fuel oil 0.5%S barge NWE fob	502.00	506.00	+3.25
Fuel oil 0.5%S barge NWE fob diff Ice gasoil M1	-376.25		-16.75
Marine gasoil 0.1%S NWE barge	833.25	837.25	+20.00
Marine gasoil 0.1%S NWE barge diff Ice gasoil M1		-45.00	nc
Marine gasoil 0.1%S NWE barge diff Ice gasoil M2		-26.25	+2.25

Mediterranean fuel oil and VGO			$/t
	Low	High	±
fob			
Fuel oil 1%S	438.25	442.25	-12.25
Fuel oil 3.5%S	333.50	337.50	-6.75
cif			
Fuel oil 1%S	470.00	474.00	-12.25
Fuel oil 3.5%S	365.25	369.25	-6.75
VGO 0.5%S	592.50	596.00	+4.75
VGO 0.5%S* *$/bl*	+6.25	+6.75	nc
VGO 2.0%S	575.75	579.25	+4.50
VGO 2.0%S* *$/bl*	+4.75	+5.25	nc

** differential to Brent crude futures ($/bl)*

London on 2 January. Most of the remainder is headed for Gibraltar, with around 43,000t headed to Rotterdam. In December, 62pc of China's jet fuel exports to Europe arrived in France and only 30pc in the UK, with the remaining 8pc going to the Netherlands. This month France, so far, has no jet fuel fixtures expected to arrive from China.

Fresh data shows mixed month on month dynamics for air passenger traffic numbers at some of the smaller airlines of northern Europe, but steep increases year on year continue as passenger numbers continue to recover to pre-pandemic levels, boosting jet fuel demand.

Latvia's Airbaltic reported that its passenger numbers totalled 288,900 in December, a 7pc increase month on month and a 62pc increase from the same month in 2021. Airbaltic's passenger numbers represented 81pc of those from December 2019 before the Covid-19 pandemic.

Chief executive Martin Gauss said demand typically falls in December, so the increase could be a sign of demand returning towards pre-pandemic levels in a longer-term trend. He added that a growing number of passengers are booking flights up to two months in advance and noted optimism about demand in 2023.

In contrast, Iceland's Icelandair found passenger numbers falling month on month in December, although there was still a sharp rise against the same month in 2021. The December volume was 7pc down month on month, but still 39pc up year on year.

There was one trade reported in the cargo market on Friday. Vitol sold 27,000t to BP at a $15/t premium to spot prices, for delivery to Le Havre between 16 – 20 January.

Vitol also made an offer at a $15/t premium to spot prices, for delivery to Le Havre, between 15 -24 January, but found no buyer. Unipec made another offer at a $24/t premium to spot prices for delivery to Rotterdam and also did not find a buyer.

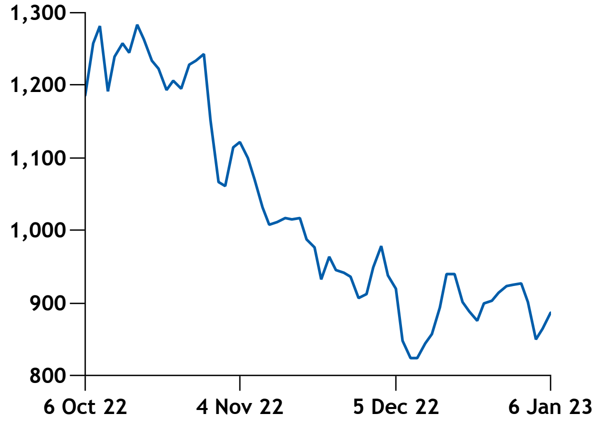
BP placed two bids in the cargo market, both at differentials to spot prices. The first at a $12/t premium for delivery to the Isle of Grain, the other was at a $12/t premium for Amsterdam delivery.

There were no deals in the barge market, but only one bid placed by Vitol at parity to spot prices, which was withdrawn. There were no offers for barges on Friday.

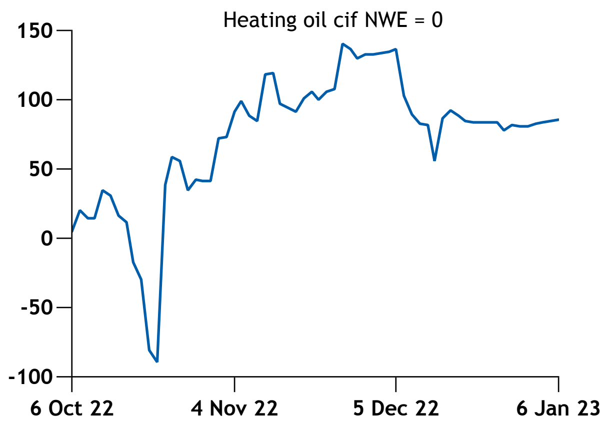
Jet fuel cargoes in northwest Europe were assessed at a $66.75/t premium to Ice January gasoil, higher by 50¢/t from the previous session, shadowing the daily change in the paper markets.

Jet fuel barges in northwest Europe were assessed at a $72.50/t premium to Ice January gasoil, moving in line with cargo prices while maintaining their $6.25/t premium to them.

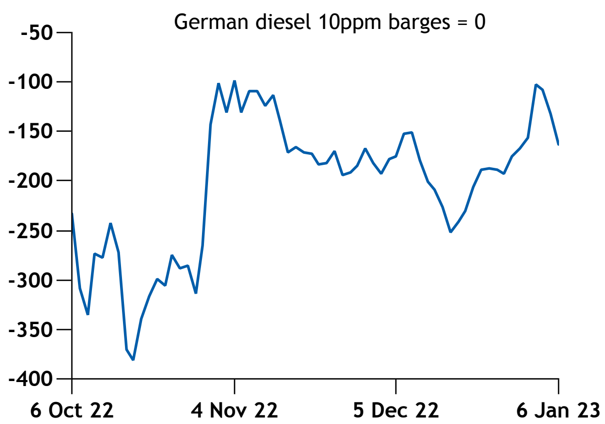
German diesel 10ppm barge $/t



Jet premium to heating oil cif NWE $/t



Eurobob oxy differential to diesel barges $/t



Diesel/Gasoil

European diesel values continued to rally as the week came to an end, as traders are likely trying to gather as much of the product as possible before EU sanctions shut out Russian diesel and tighten supply sharply in one month's time.

Ice January gasoil futures moved to a premium of $18.75/t over the February futures by 16:30 GMT on Friday. The front month has not settled so high above the second month since 9 November, almost two months ago. A structure of this kind in the futures market is called backwardation. A steeper backwardation usually signals tighter prompt supply. With end-user demand weakening as a result of macroeconomic slowdown and a strong flow of diesel still arriving in Europe from a variety of sources including Russia, the key driver of the tightness appears to be precautionary stockpiling.

The premium for the January gasoil futures over front-month Ice Brent crude futures is also getting steeper again. It moved up to $38.24/bl by 16:30 GMT on Friday, the highest point of the new year so far.

Loadings of diesel and gasoil for Europe in both the US and the UAE accelerated sharply last month, which may signal a fresh wave of these products is set to arrive in Europe this month.

As much as 660,000t of diesel and gasoil departed the US for Europe last month, Vortexa data suggest, the most for any month since September 2020 and 70pc more than in November.

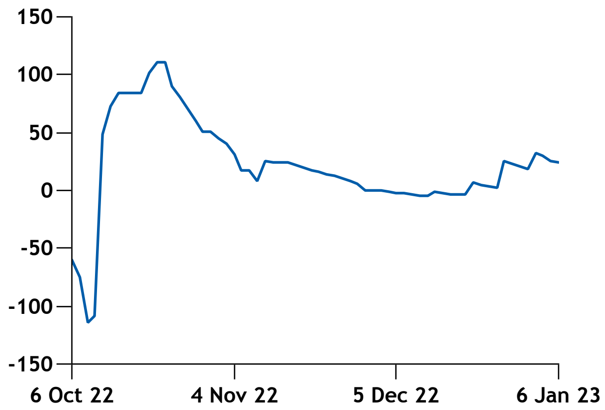
Some 120,000t of diesel and gasoil from the UAE has already arrived in Europe in the first five days of January, according to Vortexa data, marking a recovery in volumes on the route after a lull in December. As much as 250,000t has already departed the UAE with arrival dates anticipated in January, though the month's volume may get even higher if more loads in the coming days.

Six diesel barges were reported trading at ARA on Friday, all at a $6/t premium to Ice January gasoil and all loading between 11-15 January. Shell sold two 3,000t barges to BP and one of the same size to Mabanaft. Shell sold a 2,300t barge and a 1,800t barge to BP. Shell also sold a 2,500t barge to Mabanaft. Diesel barges were assessed at a $6/t premium to the January futures, higher by $2/t on the day.

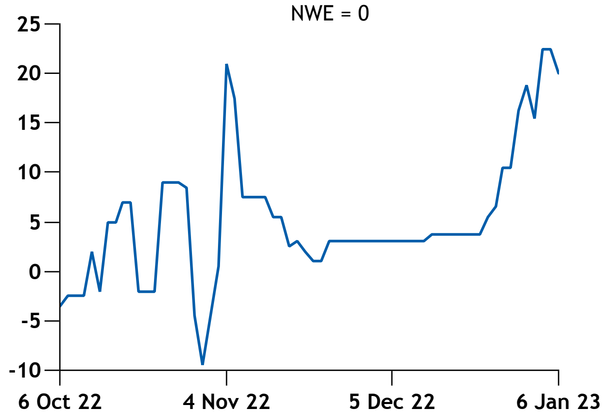
No heating oil barges were reported trading at ARA. The 50ppm sulphur barges were assessed at a $5.75/t premium to the January futures, higher by $2/t since the last *Argus* assessment, in line with the diesel barges. The 0.1 sulphur barges were assessed at a $19/t discount to the January futures, unchanged since the previous session.

TotalEnergies sold a diesel cargo of roughly 30,000t with tolerance to Trafigura on a cif Brest basis, priced at a $21/t premium to Ice January gasoil. The cargo was UK-grade

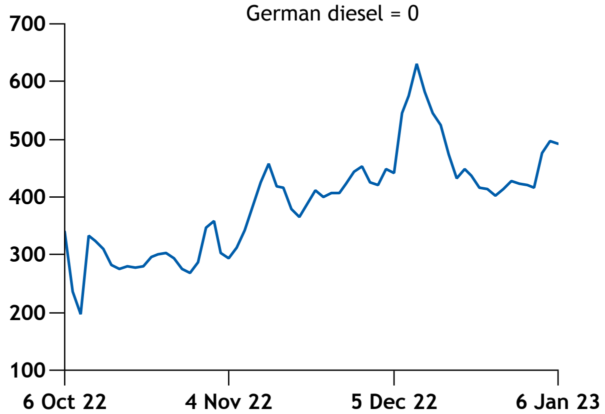
French diesel cargo premium to Ice gasoil $/t



Heating oil 1pc W Mediterranean differential to NWE



FAME 0°C CFPP RED differential to German diesel $/t



diesel, which could suggest it will be directed ultimately to a UK port. The cargo was for delivery late in the period assessed by *Argus* and it suggested a fair price for delivery in the middle of the period would be roughly a $23.75/t premium to the January futures. Cargoes sized 30,000-60,000t delivered to Le Havre and ARA were assessed at a $23.75/t premium to the January futures for that reason. That premium was lower by $1.25/t day-on-day in both cases. Similar cargoes delivered to the Thames and Hamburg were assessed at $26.75/t premiums to the January futures, also lower by $1.25/t on the day.

Diesel cargoes sized 30,000-60,000t delivered to the west Mediterranean were assessed at a $20/t premium to the January futures, lower by $2/t on the day, because the backwardated structure of the futures market suggests that prompt premiums over the futures will be declining over time. Vitol bid for a cargo sized roughly 30,000t on a cif Koper basis at a $2/t discount to spot prices, but no sellers came forward.

Non-Russian LR2 cargoes delivered to ARA were assessed at a $13.75/t premium to Ice January gasoil. Similar cargoes delivered to the west Mediterranean were assessed at a $10/t premium to the same futures. Both were marked at a $10/t discount against the 30,000-60,000t cargo size in their respective regions.

Handysize heating oil cargoes delivered to northwest Europe were assessed at a discount of $19/t to Ice January gasoil, unchanged since the previous day. Similar cargoes delivered to the west Mediterranean were assessed at a $1/t premium to the January futures, lower by $2.50/t day-on-day, reflecting signals from paper markets.

Fuel oil

European fuel oil prices diverged in the week's final session, as barge liquidity slowed to end the week.

The trade of fob Rotterdam fuel oil barges has been particularly active in the first week of the year, with 26,000t reported to have changed hands on Friday. The day's deals bring the week's traded total to 160,000t, of which 84,000t has been high-sulphur fuel oil (HSFO) and 76,000t has been very-low sulphur fuel oil.

In the first week of January 2022 — which also contained just four trading days — a similarly high volume was reported to change hands, though the total was lower at 136,000t. Traded HSFO volumes were higher a year earlier at 94,000t, while those for VLSFO were lower at 42,000t.

The week's aggregate traded volume amounts to around half of the 302,000t of combined HSFO and VLSFO barge trade across the whole of December 2022 however, and compares with a monthly traded average of 318,000t for both grades across last year.

In Friday's HSFO barge market a total of 12,000t of trade was reported, with deals agreed at a volume-weighted average (VWA) of $344.50/t, where the assessment was marked, lower from $346.25/t at the close of the previous session. TotalEnergies sold 8,000t, with Gunvor and Mercuria selling a 2,000t barge each. Vitol was the main buyer, securing 10,000t. Orim Energy bought a single barge.

In the VLSFO market, Vitol was the sole seller, securing 14,000t of barges from BP and Orim Energy. All the deals reported on Friday were agreed at $504/t, where the assessment was subsequently marked, higher by $3.25/t from the previous close.

The divergence in VLSFO and HSFO prices caused the scrubber spread to widen out at the weekend, and settle at $159.50/t. That compares with $156.50/t at the start of the week and $158.75/t on the final trading day of 2022.

Market participants noted a rally on VLSFO this week, which has been demonstrated on prompt pricing and further along the curve. But the rally could be short lived according to participants, as the eastbound arbitrage looks unworkable currently. VLSFO's discount to Ice Brent widened back out to $1.62/bl at the close of the week, from $1.45/bl at the close of the previous session, but remains narrowed compared with December's average discount of almost $3.50/bl.

In the Mediterranean, Galaxy was again seeking buyers of a cargo arriving to Algeciras between 16-20 January, though on Friday at $13/t discounts to spot quotes spanning 9-11 January, from $8/t discounts to the same pricing dates a day earlier. Again no buyers stepped forward. The cargo falls outside of *Argus*' methodology and was not used as the basis of the day's assessment. But Mediterranean cargo prices were moved lower by $5/t from the previous close relative to HSFO Rotterdam barges, and were assessed at $367.25/t, reflecting the fall in offer levels and widening of reported spreads between the two regions over the week.

Feedstocks

Delivered high and low-sulphur VGO premiums against the underlying Ice March Brent contract into both northwest Europe and the Mediterranean were steady on Friday. Outright prices rose in line with crude futures.

The Ice March Brent contract was marked at $79.76/bl at 16:30 GMT on Friday, up from $79.09/bl at the same time on Thursday.

Traders in northwest Europe pegged values for delivered VGO premiums into the ARA region in line with current assessments, at around a $5.50/bl premium for high-sulphur VGO and $7/bl for low-sulphur. The looming deadline on EU sanctions on Russian oil are likely to cause price shocks in the diesel market as Europe will struggle to replace the huge volume of diesel it imports from Russia, at least in the short term. But traders downplayed the impact that could have on high-sulphur VGO in the near term — as a feedstock used in diesel-producing hydrocracking units — because a rise in crude run rates has left the European spot market well-supplied with VGO for now, which could absorb any sudden rises in demand.

However, VGO premiums are still pricing higher on the year, currently valued at $5.50/bl and $7/bl for high and low-sulphur feedstocks respectively, up from $4.25/bl and $3.50/bl the same time a year ago. VGO is trading higher on the year in part because of widespread self-sanctioning against Russian sources which has drastically reduced supplies available to the European spot market, but also because of an uptick in refiner demand to benefit from high diesel margins. Diesel cargoes were last assessed on 5 January at $41.56/bl premiums against Dated, effectively flat on the December average and maintaining the trend of middle distillates being the more profitable yield.

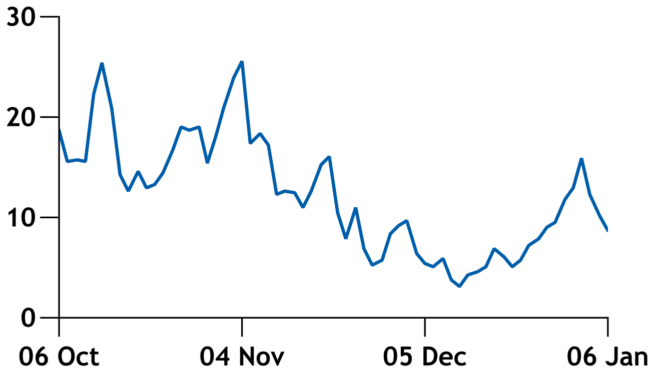
Meanwhile, refiners' running costs continue to dwindle, buoying hydrocracking profit margins. Hydrogen generally extracted from natural gas is required for the desulphurisation process during diesel production via secondary units. The Dutch benchmark TTF natural gas front-month contract was last assessed at $74/MWh, down from $107/MWh a year ago on the day.

And low-sulphur VGO premiums could soon draw support from strengthening gasoline cracking margins. Benchmark Eurobob oxy gasoline barges were last assessed on 5 January at $10.70/bl premiums against North Sea Dated. This marked a $3/bl drop on the day but premiums remained more than double their December average. Tightened supply is also lending support to gasoline margins, with independently-held gasoline stocks at the ARA trading hub shedding 2pc in the week to 4 January to hit 1.3mn t, according to Insights Global. Firming gasoline margins could bolster low-sulphur VGO demand and incentivise refiners to ramp up FCC unit runs, if the trend continues.

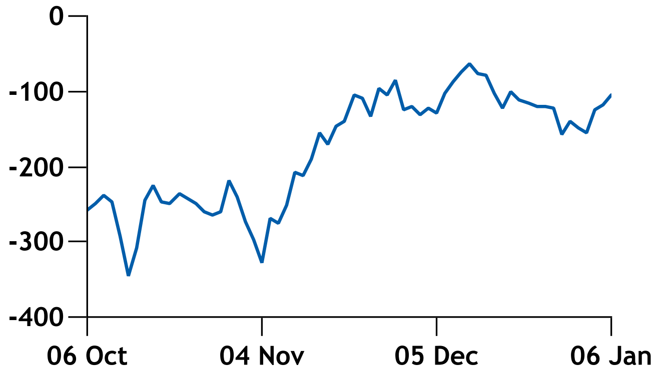
After market participants pegged values for high and low-sulphur VGO premiums in line with currently assessed levels, values were held steady at $5.50/bl and $7/bl cif ARA.

Values in the Mediterranean tracked the north, with high and low-sulphur grades stable at $5/bl and $6.50/bl cif Malta.

Eurobob oxy premium to VLSFO *$/bl*



Naphtha premium to Eurobob oxy *$/t*



NEWS

US diesel exports to Europe at two-year high

Europe looks likely to receive more diesel and gasoil cargoes from the US this month than it has for two years, ahead of the EU's ban on Russian oil products imports in early February.

As much as 660,000t of diesel and gasoil departed the US for Europe last month, Vortexa data suggest, the most for any month since September 2020 and 70pc more than in November.

The increase came even though US refinery utilisation fell month-on-month. One constraint on US processing came in the form of fires at two refineries, in Oklahoma and Colorado, which in one case led to temporary closure.

The December export total is even higher than the 600,000t that departed the US for Europe in September, when the French refining system began to shut down due to a wave of strikes. The increase in December is notable, given that US exports to Europe have tended to be lower structurally since the 330,000 b/d Philadelphia Energy Solutions (PES) refinery was put out of action permanently following a fire in 2019.

The last time US monthly diesel and gasoil export volumes to Europe surpassed last month's level was in September 2020, when those products from around the world were being funnelled into the extensive storage capacity at Amsterdam-Rotterdam-Antwerp (ARA).

The US may play a greater role as a supplier of diesel and gasoil to Europe after the EU's ban on Russian products comes into force on 5 February. But traders anticipate that the UAE, Saudi Arabia and India will take a greater share of Europe's diesel import market because they tend to have more cargoes available for spot sales that can reflect arbitrage economics. Many US sellers are usually tied into term contracts to supply Latin America.

The UAE ramped up diesel cargo exports to Europe last month. It receives Russian diesel for domestic consumption, freeing up more refinery-produced diesel and gasoil for export.

By George Maher-Bonnett

Gasoline, naphtha buoyed on higher exports

Northwest Europe gasoline margins rose to their highest since the beginning of November on 3 January as an increase in US imports pulled some of the region's excess supply westward across the Atlantic, and strengthened European naphtha prices as a result.

Benchmark Eurobob oxy gasoline's premium to North Sea Dated widened by $3.39/bl to $14.71/bl on 3 January, the highest premium since 9 November and the largest daily gain since 23 November. Naphtha's discount to Dated crude reached its narrowest since May 2022 on 4 January, at $6.08/bl. Both margins have since cooled off, moving down to a $10.70/t premium and an $8.21/bl discount, respectively, in a softening gasoline market.

Gasoline margins have received strength from increased exports across the Atlantic to the US, according to market participants, following the severe cold weather that caused several refineries to reduce operations because of power outages. Some petrochemical refineries also pre-emptively shut down their cracking units, which may have lent further support to gasoline blending components in the country.

Shipments of gasoline to the US picked up in the second half of December, rising to 534,500t in the second half of the month compared with 330,800t in the first half, according to Vortexa data. Data from the US Energy Information Administration (EIA) showed that gasoline imports into the US were 15,000 b/d higher at 551,000 b/d in the week to 30 December, probably responding to the drop in stock levels, which were down by a marginal 0.2pc to 222.7mn bl.

Gasoline stocks in ARA have consequently adjusted lower, but naphtha stocks are rising. Gasoline shed 2pc to 1.315mn t, while naphtha rose by 5.5pc to 307,000t.

Demand for naphtha from the downstream petrochemical sector remains lacklustre, providing a floor to naphtha inventory levels. Lower demand has pushed petrochemical prices lower this month for products such as benzene and styrene, which has combined with cheaper rival feedstocks for steam crackers to push naphtha more towards the gasoline blending pool.

Naphtha also remains oversupplied in Europe, which is being added to by an increase in lighter, sweeter crude grades being used by European refiners in the absence of Russian medium sour Urals.

Gasoline strength has outpaced the rise in naphtha values in recent sessions, widening the spread between the two products. On 3 January the gasoline-naphtha spread reached $154.75/t, which is the widest recorded spread in the month of January since *Argus* records began in January 2018. This would also theoretically mean that there is more incentive to blend greater volumes of naphtha into gasoline, something that is more likely for winter specification gasoline which has a higher evaporability — or Reid vapour pressure (RVP) — limit.

By Jonah Sweeney and Mykyta Hryshchuk

UAE diesel shipments to Europe surging again

Europe is ramping up diesel imports from the UAE ahead of the EU's ban on Russian oil products next month.

Some 120,000t of diesel and gasoil from the UAE has already arrived in Europe in the first five days of January, according to Vortexa data, marking a recovery in volumes on the route after a lull in December. As much as 250,000t has already departed the UAE with arrival dates anticipated in January, though the month's volume may get even higher if more loads in the coming days.

Arrivals on the route dropped in December to around 4,000 t/d, from more than 9,000 t/d in November and 18,000 t/d in October. But loadings on the route surged back to around 11,000 t/d in December, from around 1,000 t/d in November, in a sign that the volumes are climbing back towards the heights seen a few months ago.

Traders consider the UAE's Adnoc likely to be among the largest suppliers of diesel to Europe after the EU bans Russian diesel on 5 February.

Notably, only 9pc of the UAE flow in 2022 went to Amsterdam-Rotterdam-Antwerp (ARA), the hub with region-leading capacity to take the large vessels that the work the route from the Middle East. This may reflect how ARA has been among the largest takers of Russian diesel over the last year, moving much of it into German destinations via the Rhine river. The UK was the leading taker of UAE diesel and gasoil in 2022 with 25pc of the total. The UK was also the first of Europe's major countries to stop importing Russian diesel altogether. The port of Milford Haven, where US oil firm Valero operates a products terminal, is the UK's leading recipient of UAE diesel and gasoil.

Europe is heavily reliant on Russian diesel imports and will need to source alternatives when the EU bans them from 5 February. Some of that Russian diesel could be diverted to countries like the UAE, which could consume it domestically while exporting more of their refinery production. The UAE imported more than 600,000t of Russian diesel and gasoil in 2022, up from only around 50,000t in 2021. Moscow also began exporting gasoline to the UAE in July 2022, for the first time in three-and-a-half years.
By George Maher-Bonnett

Air traffic mixed in December for small airlines

Fresh data shows mixed month on month dynamics for air passenger traffic numbers at some of the smaller airlines of northern Europe, but steep increases year on year continue as passenger numbers continue to recover to pre-pandemic levels, boosting jet fuel demand.

Latvia's Airbaltic reported that its passenger numbers totalled 288,900 in December, a 7pc increase month on month and a 62pc increase from the same month in 2021. Airbaltic's passenger numbers represented 81pc of those from December 2019 before the Covid-19 pandemic.

Chief executive Martin Gauss said demand typically falls in December, so the increase could be a sign of demand returning towards pre-pandemic levels in a longer-term trend. He added that a growing number of passengers are booking flights up to two months in advance and noted optimism about demand in 2023.

In contrast, Iceland's Icelandair found passenger numbers falling month on month in December, although there was still a sharp rise against the same month in 2021. The December volume was 7pc down month on month, but still 39pc up year on year.
By Mykyta Hryschuk and Daniel Khalupsky

Winter storms shut 2.6mn b/d of US refining

Late-December winter storms and sub-zero temperatures led to 2.6mn b/d of US refining capacity being taken off line and a subsequent drop in refinery utilization in the last week of 2022.

Severe winter storms and sub-zero temperatures caused refiners to halt operations in late December, leading to a peak 2.6mn b/d of capacity being off line, according to a report by research consultancy Energy Aspects.

Over 20pc of the US Gulf coast's crude distillation units were shut at one point in late December because of unplanned outages that drove most of the decline in capacity, says Energy Aspects. The remainder of off-line capacity was in the midcontinent and the Rocky Mountain regions where Suncor shut its 103,000 b/d Commerce City, Colorado, refinery after severe weather damaged equipment.

Most refineries had at least partially restarted operations by early January, Energy Aspects said. But Suncor's Colorado refinery will not resume operations until the end of the first quarter, the company said this week, while Energy Aspects expects Pemex's 313,000 b/d Deer Park, Texas, refinery to come back on line next week.

US refinery utilization for the week ended 30 December

Current refinery outages

Refinery	Capacity (*'000 b/d*)	Company	Country	Unit(s)	Since	Reason
Karlsruhe	299	Miro	Germany	1 CDU out of 3	25 December	Technical fault
Rijeka	90	Ina (Mol)	Croatia	Most, including all CDU	November	Upgrading
Feyzin	109.3	TotalEnergies	France	FCC	September	Fire

Every effort has been made to verify information directly with appropriate company sources. Some information has been obtained from usually relible sources, but cannot be officially confirmed with the refinery concerned. The list will be updated when new information becomes available.

declined by 13.5pc to an average 79.6pc, according to Energy Information Administration data. It was the lowest utilization rate since March 2021 with refiners processing 13.8mn b/d of crude, down 2.3mn b/d from the prior week.

While 2022 ended with refiners running lower utilization rates caused by weather-related shutdowns, overall fourth quarter refining utilization was higher than in the last five years. US refiners ran at an average utilization rate of 91pc in the fourth quarter of 2022, 4 percentage points higher than the average fourth quarter utilization since 2018.

With the war in Ukraine and subsequent Russian crude sanctions driving European demand for distillates — and as much as a 1mn b/d decline in US crude distillation capacity from January 2020 to July 2022 — refining margins rose in 2022. To take advantage of higher margins, refiners ran at high utilization rates into the winter season, a period when refining output typically declines after the summer driving season ends.

"The strength in cracks across all [regions] has resulted in margins that encourage continued strong utilization as refineries come back online," Energy Aspects said in this week's report, expecting refiners to seek to rebuild stocks before the spring turnaround season.
By Nathan Risser

Opec+ to stay vigilant in face of cloudy outlook

The myriad uncertainties that made 2022 an extremely challenging year for oil markets look likely to continue to complicate the outlook for Opec+ in 2023.

At its last ministerial meeting in December, the group opted to roll over the nominal 2mn b/d cut to production targets that ministers agreed at the previous meeting in October. Delegates argued then that it was more prudent to take a wait-and-see approach to production policy until there was better visibility about the months ahead, given that the market was facing a host of uncertainties, not least around the then-looming Russian crude import embargo.

Going into 2023, the situation is no clearer, with geopolitical and economic uncertainties continuing to complicate any attempts by the group to plan for the coming months.

On the supply side of the equation, there is no more important issue than Russia, and the effect that the EU embargoes on importing Russian seaborne crude and products will ultimately have on the market. That Russian supplies will be affected appears almost a foregone conclusion among market watchers, but where they differ is the extent to which they expect supplies to be disrupted.

For its part, Moscow has said it may have to cut output by 500,000-700,000 b/d in "some moments" in early 2023 because of the embargoes and the G7-led price cap. But the projections grow from there, with Opec saying last month that it expects Russian oil output to drop by 850,000 b/d to 10.1mn b/d in 2023, while the IEA foresees a more dramatic 1.4mn b/d fall in output on the year in 2023.

In December, the month in which the embargo on Russian crude began, crude exports from Russian ports, not including CPC Blend or Urals supplied by Kazakh firms, fell by 520,000 b/d to 2.61mn b/d, according to Vortexa.

This figure could feasibly rise in the first quarter of this year, particularly if Russian president Vladimir Putin makes good on his repeated threats to cut off any companies or traders that abide by the price cap. Although such a move would not necessarily make economic sense, some Opec+ delegates warned as far back as last year that Moscow could retaliate by cutting supplies.

What effect these losses ultimately have on markets will, in no small part, depend on China and the speed at which its economy, and in turn oil demand, recovers after the government abruptly overturned the country's zero-Covid policy last month. The lifting of lockdowns will no doubt drive a recovery in Chinese demand, but Opec+ delegates highlight that the surge in infection rates that the country is now experiencing will almost certainly keep a lid on growth in the short term, possibly until the second half of 2023.

And oil markets beyond China are still contending with the looming threat of recession in much of the western world, as inflationary concerns and tight monetary policies curb demand. "Advanced economies are heading into a recession, led by the euro area and the UK," UK-based bank Barclays says in its first-quarter 2023 outlook, noting that the US economy "will also likely contract".

The producer group believes that the decision to cut production targets late last year has helped balance oil markets. Producers aim to be proactive and pre-emptive, as Saudi oil minister Prince Abdulaziz bin Salman says, but not reckless. In theory, the group's decision to keep production targets unchanged will hold until it next meets — it is not due to gather again at a ministerial level until 4 June. But Saudi Arabia and Opec+ have shown their willingness to meet and take decisions at short notice, and the group could step in to adjust production should the need arise.
By Nader Itayim

China issues 8mn t of LSFO in first 2023 batch

China has released the first batch of low-sulphur fuel oil (LSFO) export quotas for 2023 totalling 8mn t, up by 23pc from a year earlier.

State-controlled refiner Sinopec was awarded the highest volume of quotas at 4.29mn t, followed by state-controlled PetroChina at 3.02mn, state-controlled CNOOC at 620,000t, state-controlled Sinochem at 30,000t and private-sector

Zhejiang Petroleum (ZPC) at 40,000t.

The first batch of LSFO export quotas for 2023 is exactly half the volume of 16mn t issued for the whole of 2022.

China's fuel oil output and exports continued to decline in the fourth quarter of 2022, as domestic refiners focused on production and export of diesel. Fuel oil production was at 3.9mn t each in October and November, down from 4.5mn t in September 2022.

China's exports of marine fuel oil began to decline in October, falling by 22pc on the year to 1.17mn t. Exports rose on the month but fell by 30pc on the year to 1.22mn t in November, with the fifth batch of oil export quotas for 2022 partially unused.

Chinese LSFO production and exports are likely to pick up as diesel demand drops in the first quarter of 2023. The 8mn t of export quotas can meet demand until May, market participants said.

ANNOUNCEMENTS

European gasoline barge origin restriction: Update

An earlier version of this announcement was published incorrectly on 28 November.

Following consultation, beginning on 5 December, only information about trade in non-Russian gasoline will be considered for inclusion in the Argus Eurobob oxy, Eurobob non-oxy and 98 Ron fob northwest Europe barge price assessments. Non-Russian gasoline is gasoline that was not produced in the Russian Federation, has not been blended with any product produced in the Russian Federation, has not been exported from the Russian Federation and can be reasonably documented as such.

Changes to Eurobob gasoline seasonal transition

Following consultation, starting from March 2023 — during the seasonal transition of Eurobob gasoline barge assessments — at least 3,000t of summer-specification product and 3,000t of winter-specification product are required to calculate the volume-weighted average. If less than 3,000t of trade of either grade within *Argus*' criteria is reported, *Argus* will include in the volume-weighted average an assessment of the prevailing market price for the relevant grade at 4:30pm London time based on bids, offers and other market information, including but not limited to the spread between winter and summer grades in the Eurobob paper market. That assessment will be assigned whatever volume is required such that the total volume of reported trades and the assessment for that grade equals 3,000t.

Subscriber notice: Eurobob specifications

On Eurobob oxy barges, Argus specifications assume blendstock meeting EN228 gasoline specifications of maximum 10ppm sulphur and maximum vapour pressure of 90kPa in the winter and 60kPa in the summer after blending with 4.8pc ethanol of minimum 98.7pc purity. Oxygen content is limited to 0.9pc. On Eurobob non-oxy barges, Argus specifications reflect blendstock meeting EN228 gasoline specifications of maximum 10ppm sulphur and maximum vapour pressure of 90kPa in the winter and 60kPa in the summer after blending with 9.7pc ethanol of minimum 98.7pc purity.

Clarification

In light of recent backwardation in oil products markets, Argus would like to remind market participants that loadings should be made in as timely a manner as possible, and within loading dates specified at the time of trade.

Accordingly, and in keeping with its methodology, Argus may exclude from consideration in the assessment process any trades or bids/offers for which it has reason to believe that the product will not be deliverable under normal industry nominations and loading procedures.

Change to AOM European diesel platform times

Following consultation, *Argus* will shorten the opening hours of the Argus Open Markets platform (AOM) for restricted-origin diesel cargoes to 3:30-4:30pm London time. The change will come into effect on 3 January 2023. The methodology governing the related price assessments is unchanged and includes an assessment time of 8:30am-4:30pm London time. See the Argus European Products methodology.

Introduction of Eurobob barge certification requirement: Clarification

Following the announcement made on 31 July 2018 regarding gasoline quality testing, *Argus* wishes to clarify that the requirements are binding on both sellers from refineries and those from commercial tank storage. From 1 October 2018, *Argus* is adding a certification of product testing requirement to the methodologies governing Eurobob oxy and non-oxy gasoline barge price assessments.

For a trade to be considered for inclusion in either assessment, the seller must commit at the time of trade to provide the buyer with a full quality certificate at the start of barge loading, at the start of loading ex-refinery or at the start of pump-over into the buyer's tank.

The certificate must be for volumes loaded directly ex-refinery or from a single certified shore-tank. For the avoidance of doubt, trades involving a "proportional composite" analysis of streams from multiple tanks or a "hand blend" test may not be considered for inclusion in the assessment.

For more information, please contact Elliot Radley at elliot.radley@argusmedia.com or +44 20 7780 4205, or by post to Elliot Radley, *Argus* Media Limited, Lacon House, 84 Theobald's Road, London, WC1X 8NL.

Introduction of origin restriction on European products

Following consultation, from 3 January all Argus refined oil products prices for loading in or delivery to or within Europe will be for product of non-Russian origin.

Argus has separately announced that its Eurobob oxy, Eurobob non-oxy and 98 Ron fob northwest Europe barge price assessments have been of non-Russian product since 5 December.

Non-Russian product is product that was not produced in the Russian Federation, has not been blended with any product produced in the Russian Federation, has not been exported from the Russian Federation and can be reasonably documented as such.

As part of this change the names of the following recently launched restricted-origin prices will be simplified, to remove the "restricted origin" label:

- Gasoil diesel 10ppm (restricted origin) ARA NWE cif
- Gasoil diesel French 10ppm (restricted origin) W Med cif
- Gasoil diesel 10ppm LR2 (restricted origin) ARA NWE cif
- Gasoil diesel French 10ppm LR2 (restricted origin) W Med cif

The names of the following existing open-origin prices will be amended to differentiate them. They will no longer appear in the print edition of Argus European Products but will remain available electronically and will be assessed at the same price as the restricted-origin assessments until further notice:

- Gasoil diesel 10ppm ARA NWE cif (formerly open origin)
- Gasoil diesel French 10ppm W Med cif (formerly open origin)

Argus will also suspend the following assessments:

- Fuel oil straight-run M-100 fuel oil cif NWE cargo
- VGO 0.5%S fob Black Sea
- VGO 2%S fob Black Sea

Subscriber notice: Gasoline barges

For trades to be included in *Argus* gasoline barge assessments, standard nomination procedures must be followed. The buyer should give two working days' notice of barge ETA. Nominations received after 14:00 London time or on Fridays after 13:00 London time will be deemed to be received on the following working day. Otherwise, the original day of nomination will count as day one of the two days notice.

Quality testing: On gasoline barges, standard industry practice assumes seller's discretion to appoint an inspections company from a list of widely recognised entities. But if a buyer has reasonable cause* to request an alternative but widely recognised inspector, the nominated inspection company should be changed by mutual agreement. If changing the nominated inspection company is not acceptable to the seller, the seller should agree to allow a re-test of the product by an alternative inspections company before loading.
*Reasonable cause may include recent history of deviations between test results at loadport and/or on delivery, where the deviation is in excess of industry accepted margins of reproducibility and repeatability.

Changes to Russia-originating tanker rates

Following consultation, *Argus* will change its crude and oil products freight coverage on several routes beginning on 3 January because of the effect of sanctions on trade.

- The Primorsk-UKC 100,000t rate will change to a Baltic-UKC rate originating at ports in Finland, Estonia, Latvia, Lithuania, Poland, Baltic Germany and Baltic Sweden
- The Baltic-Mediterranean 100,000t rate will no longer involve routes originating at Baltic Russian ports
- The Novorossiysk-Mediterranean 140,000t rate will no longer be assessed
- Black Sea rates to all destinations will be specifically for non-Russian cargoes
- Baltic-UKC, Baltic-Mediterranean and Black Sea-Mediterranean 30,000t fuel oil rates will no longer be assessed
- Crude-specific freight rates for Urals will no longer be assessed

Non-Russian cargoes are those not produced in the Russian Federation, not blended with anything produced in the Russian Federation and not exported from the Russian Federation.

Gasoline origin clauses

Argus has observed the introduction by some market participants of contractual clauses restricting the origin of gasoline traded in the Eurobob oxy and non-oxy barge markets. The specific language is understood to differ among market participants and it is unclear what verification, if any, may be required by buyers.

Argus would like to remind readers that market information may be considered for inclusion in the Eurobob oxy and non-oxy barge price assessments regardless of any restrictions on product origin. However, we ask market participants to be clear about required standards of verification when requesting product of restricted origin and we seek feedback on whether a standard documentation requirement is achievable or desired.

Argus will continue to monitor the situation and will continue to communicate with stakeholders in the course of its usual reporting and market engagement efforts. Please send comments or questions to Elliot.radley@argusmedia.com

Argus successfully completes annual Iosco assurance review

Argus has completed the 11th external assurance review of its price benchmarks covering crude oil, oil products, LPG, chemicals, thermal and coking coal, natural gas, biofuels, biomass, metals, fertilizers and agricultural markets. The review was carried out by professional services firm PwC. Annual independent, external reviews of oil benchmarks are required by international regulatory group Iosco's Principles for Oil Price Reporting Agencies, and Iosco encourages extension of the reviews to non-oil benchmarks. For more information and to download the review visit our website https://www.argusmedia.com/en/about-us/governance-compliance

Changed freight rates in European fuel oil assessments

Argus has changed the freight rates used in its 1pc cif west Mediterranean and 3.5pc fob northwest Europe fuel oil assessments following the suspension of Baltic-UKC and Baltic-Mediterranean freight coverage.

The fuel oil 1%S cif west Mediterranean cargo price is now a net-forward from the fob northwest Europe 1% cargo assessment using the *Argus* cross UK Continent rate for 30,000t vessels, a standard WS10 premium, and a UK Continent to Mediterranean flat rate. The fuel oil 3.5%S fob northwest Europe cargo price is calculated as a netback from the 3.5% cif northwest Europe assessment using the *Argus* cross UK Continent rate for 30,000t vessels.

For further details, please contact Elliot Radley at londonproducts@argusmedia.com

DEALS DONE

Gasoline (barges)						
Seller	Buyer	Loading from	Loading to	Price $	Volume *t*	Notes
BP	Mabanaft	08 Jan	14 Jan	724.25	2,000	Gasoline Eurobob oxy 09:00 approx Feb swap +$5.00 included in VWA
Trafigura	Shell	08 Jan	14 Jan	723.00	2,000	Gasoline Eurobob oxy 09:05 approx Feb swap +$5.00 included in VWA
BP	Shell	08 Jan	14 Jan	723.00	2,000	Gasoline Eurobob oxy 09:05 approx Feb swap +$5.00 included in VWA
Shell	Mabanaft	08 Jan	14 Jan	734.25	2,000	Gasoline Eurobob non-oxy 09:20 approx Feb swap +$17.00 included in VWA
TotalEnergies	Mabanaft	08 Jan	14 Jan	734.25	2,000	Gasoline Eurobob non-oxy 09:48 approx Feb swap +$15.00 included in VWA
Gunvor	Shell	08 Jan	14 Jan	745.00	2,000	Gasoline Eurobob non-oxy 16:23 approx Feb swap +$15.00 included in VWA
Gunvor	Varo	08 Jan	14 Jan	745.00	2,000	Gasoline Eurobob non-oxy 16:23 approx Feb swap +$15.00 included in VWA

Middle distillates							
Grade	Seller	Buyer	Delivery mode	Location	Price $	Volume *t*	Notes
Gasoil diesel UK	TotalEner-gies	Trafigura	cif	Brest	Ice gasoil (Jan) +21.00	27000	
Jet-kerosine NWE	Vitol	BP	cif	Le Havre	Platts () +15.00	27000	
Gasoil German diesel ARA	Shell	BP	fob	ARA	Ice gasoil (Jan) +6.00	3000	included in VWA
Gasoil German diesel ARA	Shell	BP	fob	ARA	Ice gasoil (Jan) +6.00	3000	included in VWA
Gasoil German diesel ARA	Shell	Mabanaft	fob	ARA	Ice gasoil (Jan) +6.00	3000	included in VWA
Gasoil German diesel ARA	Shell	Mabanaft	fob	ARA	Ice gasoil (Jan) +6.00	2500	included in VWA
Gasoil German diesel ARA	Shell	BP	fob	ARA	Ice gasoil (Jan) +6.00	2300	included in VWA
Gasoil German diesel ARA	Shell	BP	fob	ARA	Ice gasoil (Jan) +6.00	1800	included in VWA

DEALS DONE

Low sulphur fuel oil (barges)							
Seller	**Buyer**	**Loading from**	**Loading to**	**Location**	**Price $**	**Volume *t***	**Notes**
Vitol	BP	11 Jan	15 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	BP	11 Jan	15 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	Orim Energy	11 Jan	15 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	Orim Energy	11 Jan	15 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	BP	14 Jan	18 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	BP	14 Jan	18 Jan	Rotterdam	504.00	2,000	included in VWA
Vitol	Orim Energy	14 Jan	18 Jan	Rotterdam	504.00	2,000	included in VWA

High sulphur fuel oil (barges)						
Seller	**Buyer**	**Loading from**	**Loading to**	**Price $**	**Volume *t***	**Notes**
Gunvor	Vitol	11 Jan	15 Jan	345.00	2,000	included in VWA
TotalEnergies	Vitol	11 Jan	15 Jan	344.00	2,000	included in VWA
TotalEnergies	Vitol	11 Jan	15 Jan	344.00	2,000	included in VWA
TotalEnergies	Vitol	11 Jan	15 Jan	344.00	2,000	included in VWA
Mercuria	Vitol	17 Jan	21 Jan	345.00	2,000	included in VWA
TotalEnergies	Orim Energy	17 Jan	21 Jan	345.00	2,000	included in VWA

Argus Assessment Rationale Database

For prices used in financial benchmarks, Argus publishes daily explanations of the assessment rationale with supporting data. This information is available to permissioned subscribers and other stakeholders.

Subscribers to this report via Argus Direct or My Argus may access the database here.

Other subscribers may request access here or contact us by email at sales@argusmedia.com.

AVERAGES JANUARY TO DATE

Gasoline				$/t
	NW Europe		W Mediterranean	
	Low	High	Low	High
fob				
95R gasoline 10ppm	-	-	778.31	778.81
91R gasoline	725.13	725.63	-	-
Naphtha 65 Para	-	-	583.81	584.81
cif				
95R gasoline 10ppm	-	-	799.44	799.94
Gasoline non-oxy 10ppm	808.81	809.31	-	-
91R gasoline	748.81	749.31	-	-
Naphtha 65 para	622.63	623.63	604.94	605.94
barge				
98R gasoline	966.06	966.56	-	-
95R gasoline 10ppm	765.31	765.81	-	-
Eurobob oxy	748.81	749.31	-	-
VWA diff to Eurobob swap	+13.50			
Eurobob non-oxy	756.88	757.38	-	-
VWA diff to Eurobob swap	+23.06			
91R gasoline	748.81	749.31	-	-
MTBE	1,078.19	1,078.94	-	-
ETBE	1,108.19	1,108.94	-	-
Naphtha 65 Para	618.63	619.63	-	-

Middle distillates				$/t
	NW Europe		W Mediterranean	
	Low	High	Low	High
fob				
Jet	918.00	919.00	899.38	900.38
Diesel French 10ppm	880.56	881.56	871.44	872.44
Diesel German 10ppm	883.56	884.56	-	-
Heating oil 0.1%S	833.94	834.94	850.31	851.31
cif				
Jet	935.38	936.38	937.38	938.38
Diesel UK ULS	900.94	901.94	-	-
Diesel French 10ppm	897.94	898.94	892.56	893.56
Diesel LR2 French 10ppm (restricted origin)	-	-	882.56	883.56
Diesel French 10ppm (restricted origin)	-	-	892.56	893.56
Diesel ARA 10ppm	897.94	898.94	-	-
Diesel LR2 ARA 10ppm (restricted origin)	887.94	888.94	-	-
Diesel ARA 10ppm (restricted origin)	897.94	898.94	-	-
Diesel German 10ppm	900.94	901.94	-	-
Heating oil 0.1%S	851.31	852.31	871.44	872.44
barge				
Jet	941.88	942.38	-	-
Diesel German 10ppm	875.13	875.63	-	-
Heating oil 0.1%S	851.56	852.06	-	-
Heating oil German 50ppm	874.63	875.63	-	-
Marine gasoil 0.1%S NWE	823.81	827.81	-	-

Fuel oil				$/t
	NW Europe		Mediterranean	
	Low	High	Low	High
fob				
Fuel oil 1%S	409.69	413.69	451.81	455.81
Fuel oil 3.5%S	361.06	365.06	340.81	344.81
Fuel oil straight-run 0.5%S	536.19	539.69	-	-
VGO 0.5%S	575.44	578.81	-	-
VGO 2.0%S	558.94	562.38	-	-
cif				
Fuel oil 1%S	437.31	441.31	484.06	488.06
Fuel oil 3.5%S	390.06	394.06	373.06	377.06
VGO 0.5%S	597.81	601.25	594.31	597.81
VGO 2.0%S	581.13	584.56	577.69	581.13
barge				
Fuel oil 0.5%S NWE	502.13	506.13	-	-
Fuel oil 1%S	407.69	411.69	-	-
Fuel oil 3.5%S RMG	346.06	350.06	-	-
Fuel oil VWA	-	348.06	-	-
Fuel oil 3.5%S RMK	-	348.31	-	-
VGO 0.5%S	577.13	580.56	-	-
VGO 2.0%S	558.94	562.38	-	-

Argus European Products Methodology

Argus uses a precise and transparent methodology to assess prices in all the markets it covers. The latest version of the Argus European Products Methodology can be found at: www.argusmedia.com/methodology.

For a hard copy, please email info@argusmedia.com, but please note that methodologies are updated frequently and for the latest version, you should visit the internet site.

SWAPS

Gasoline			$/t
	Low	High	±
Jan	734.50	736.50	+13.00
Feb	729.25	731.25	+10.75
Mar	727.75	729.75	+11.00
2Q23	756.50	758.50	+11.50
3Q23	731.25	733.25	+10.25

Naphtha			$/t
	Low	High	±
Jan	616.00	618.00	+5.00
Feb	613.00	615.00	+4.25
Mar	609.75	611.75	+4.75
2Q23	602.75	604.75	+5.75
3Q23	592.75	594.75	+5.75

Jet cif NWE premium to Ice gasoil			$/t
	Low	High	±
Jan	+70.00	+71.00	+0.50
Feb	+72.00	+73.00	+0.50
Mar	+72.00	+73.00	+3.25
2Q23	+70.50	+71.50	+2.00
3Q23	+65.25	+66.25	+0.50

Gasoil premium to Ice gasoil			$/t
	Low	High	±
Jan	-17.75	-17.25	-2.00
Feb	-16.75	-16.25	-2.00
Mar	-14.25	-13.75	-1.50
2Q23	-13.25	-12.75	-2.00
3Q23	-13.25	-12.75	-2.50

Diesel premium to Ice gasoil			$/t
	Low	High	±
Jan	+24.75	+25.25	+1.00
Feb	+26.75	+27.25	+1.00
Mar	+28.75	+29.25	+1.00
2Q23	+18.25	+18.75	nc
3Q23	+14.75	+15.25	nc

High-sulphur fuel oil cargo			$/t
	Low	High	±
Jan	339.50	340.50	-4.00
Feb	339.75	340.75	-4.00
Mar	341.75	342.75	-4.00
2Q23	346.25	347.25	-4.25
3Q23	347.75	348.75	-4.50

High-sulphur fuel oil barge			$/t
	Low	High	±
Jan	343.50	344.50	-4.00
Feb	343.75	344.75	-4.00
Mar	345.75	346.75	-4.00
2Q23	350.25	351.25	-4.25
3Q23	351.75	352.75	-4.50

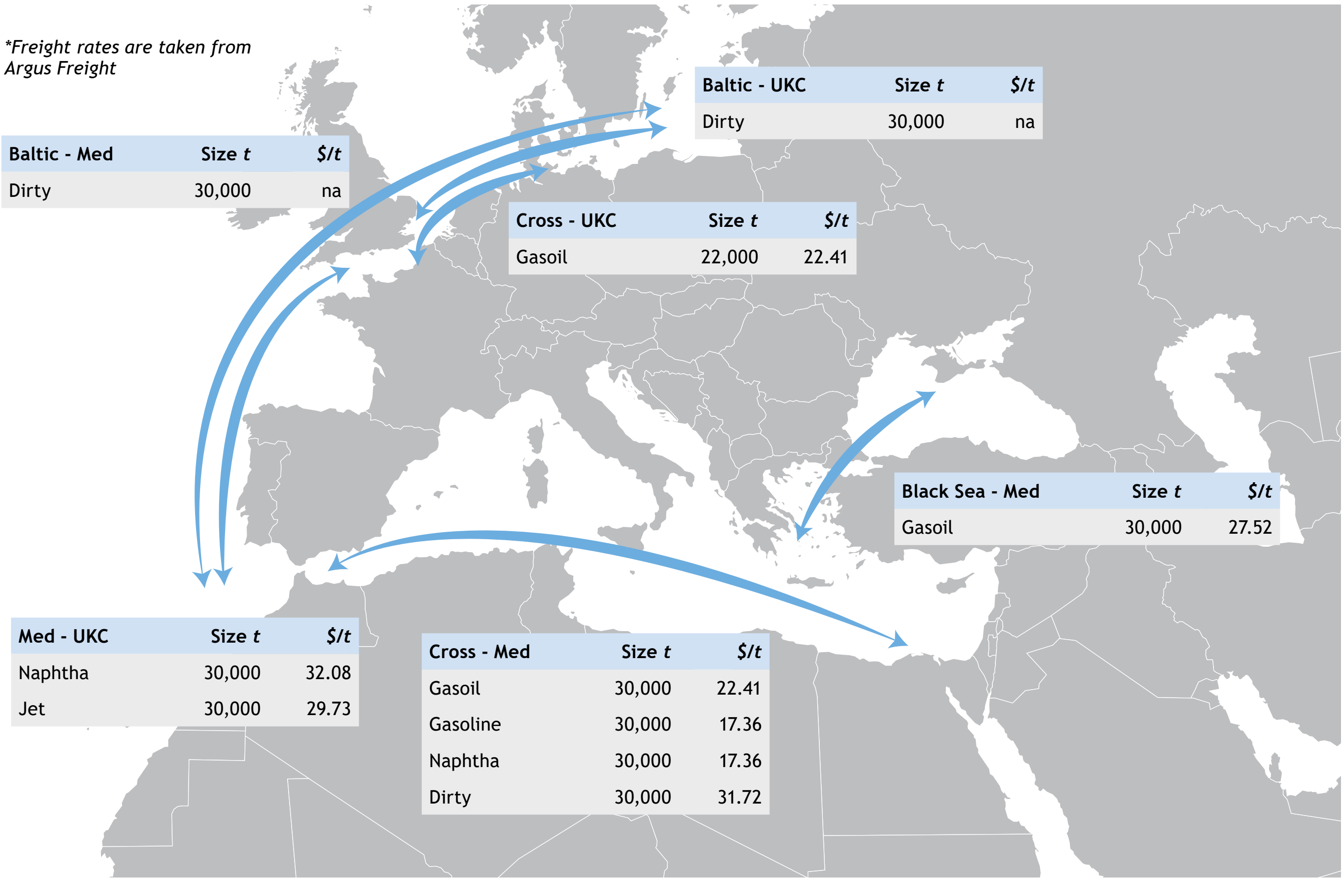
Low-sulphur fuel oil			$/t
	Low	High	±
Jan	394.25	395.25	-14.50
Feb	395.75	396.75	-14.50
Mar	397.25	398.25	-14.00
2Q23	399.75	400.75	-13.00
3Q23	402.75	403.75	-12.75

Ice settlements		$/t
Contract	Gasoil	±
Jan	880.25	+20.00
Feb	861.50	+17.75
Mar	836.25	+15.75

FREIGHT

Spot freight rates

**Freight rates are taken from Argus Freight*



Baltic - Med	Size *t*	$/*t*
Dirty	30,000	na

Baltic - UKC	Size *t*	$/*t*
Dirty	30,000	na

Cross - UKC	Size *t*	$/*t*
Gasoil	22,000	22.41

Black Sea - Med	Size *t*	$/*t*
Gasoil	30,000	27.52

Med - UKC	Size *t*	$/*t*
Naphtha	30,000	32.08
Jet	30,000	29.73

Cross - Med	Size *t*	$/*t*
Gasoil	30,000	22.41
Gasoline	30,000	17.36
Naphtha	30,000	17.36
Dirty	30,000	31.72

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